

2. Topic: Marquette – Overlay Funds Update

No discussion.

3. Topic: RFP's – Status Report

The Committee met as the evaluation panel for the RFP for Transition Management. The panel's minutes are documented separately from these Committee meeting minutes. The panel will recommend the use of four managers . State Street, GTS, Blackrock and JP Morgan.

The committee reviewed the drafts of the RFP's for the small cap value and emerging markets managers. The Committee approved the RFP's for the small cap manager and the emerging markets manager pending review by Mark Grady and Gerry Schroeder.

4. Topic: Asset Allocation Study Update

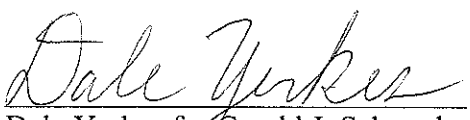
The committee discussed the portfolio "D" asset allocation. Some asset classes were not included due to their performance being similar to other asset classes. Brett Christenson stated it would be better to concentrate the money with another manager and save on investment management fees. Brett reviewed the Up/Down analysis requested by Sarah Peck. This supported the exclusion of asset classes from portfolio "D". Some members requested more information regarding Long/Short and Infrastructure asset classes, including worst-case scenarios.

The committee agreed to recommend to the Board to implement portfolio "D", with the notation the Long/Short and Infrastructure allocations will not be implemented until more information regarding these asset classes is received.

The committee agreed to recommend to the Board to invest \$35M in Barings, \$18M in GMO LC and \$13M in GMO SC. This money will come from POB proceeds.

5. Adjournment: The Investment Committee adjourned at 4:40 pm.

Sarah Peck noted she would not be able to attend the June Pension Board Meeting.


Dale Yerkes for Gerald J. Schroeder
ERS Manager